

SENATE BILL NO. 320

INTRODUCED BY TESTER

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A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A MUNICIPALITY TO ADJUST BASE TAXABLE VALUE IN CERTAIN CASES OF TAX INCREMENT FINANCING FOR WHICH NO BONDS WERE ISSUED; AMENDING SECTION 7-15-4293, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 7-15-4293, MCA, is amended to read:

**"7-15-4293. Adjustment of base taxable value following change of law -- option if bonds not issued.** (1) If the base taxable value of an urban renewal area or an industrial district is affected after its original determination by a statutory, administrative, or judicial change in the method of appraising property, the tax rate applied to it, the tax exemption status of property, or the taxable valuation of property if the change in taxable valuation is based on conditions existing at the time the base year was established, the governing body of the municipality may request the department of revenue or its agents to estimate the base taxable value so that the tax increment resulting from the increased incremental value is sufficient to pay all principal and interest on the bonds as those payments become due.

(2) In cases of tax increment financing districts that were created on or after January 1, 1998, and before July 1, 2001, for which bonds were not issued, a municipality may adjust the base taxable value TO ACCOUNT FOR A LOSS OF TAXABLE VALUE RESULTING FROM A STATUTORY CHANGE if the municipality has given notice of and has held a hearing on the proposed change."

NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

NEW SECTION. SECTION 3. TERMINATION. [THIS ACT] TERMINATES JUNE 30, 2003.

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